## BOARD OF DIRECTORS OF THE PENNSYL-

VANIA RAILBOAD COMPANY TO THE STOCKHOLDERS.

OFFICE OF THE PENNSYLVANIA RAILROAD CO. PHILADELPHIA, February 17, 1866.
To the Stockholders of the
Pennsylvania Railroad Company: The following statements exhibit the Earnings and Expenses, during 1865, of the Railways and Canals owned and leased by the Pecusylvania

Railroad Company.

The Treasurer's account annexed to this Report will show the financial condition of the Company.

PENNSYLVANIA RAILROAD AND BRANCHES WORKED BY IT, EXCEPT THE PHILADELPHIA AND ERIE RAILROAD.

EARNINGS. From Passen gers,
First Class, - - 84,055.872 06
From Emigrants, - 118.329 81 1,278,844 60 80,130 55 from Express Freight, 370.313 85

483,793 85 From General Freight, From Miscellaneous Expenses, 11,193,565 37 Total earnings, - - - \$17,459 169 49

EXPENSES. Conducting Transportation. For Erection of Pas-senger and Freight S ations, and extension of existing Buildings, -245,439 02 - \$3,736,296 09 Motive Power.

For Ordinary Repairs and Renewals, in-cluding 11 new Enpines, costing \$284,-142 12, charged to this account to meet depreciation, &c ; also, er-ction of the Machine Shop and En-gine House at West Philadelphia, For Additional Tools 3,268,957 76 and Shop Machine-ry, chiefly outfit of Philadelphia and Erie Railroad, For additional Loco-111,394 61

motives purchased for Philadelphia and Eric Raitroad 1,434,561 03 and other Railroads, 4,814,913 40 Maintenance of Cars.

\*For Ordinary Repairs and Renewals, including the erection of the Car Shops at West Philadelphia, For additional Freight Cars. 146,403 56 Cars, -For additional Pas-180,754 31 senger Cars, Maintenance of Road.

For ordinary repairs of Railway, and re-newals of Struc-2,625,520 35 tures, For additional second track and sidings, - 269,575 97 \$2,895,096 32 General Expenses, - - -

Total expenditures connected with the business of the Pennsylvania Railroad Company, including ad-dition to the facilities for transpor-tation on its own road and that of the Railroads it operates, - - \$13,270,058 54 RECAPITULATION.

Gross earnings,
Total ordinary expenses,
S10,881,930 04
Total extraordinary - - 817,459,169 49 expenses, consisting of additional second track and sidings, additional Locomo

tives, Cars, &c., -2,388,128 50 13,270,058 54 Leaving a balance of -- \$4,189,110 95 The gross revenue of the line for 1865 is equal to

\$48.768 62 per mile of main line of road, (356 miles) and exceeds in the aggregate that of 1864 This increase is \$839,207 73 upon Passengers and Emigrants; \$3,300 39 upon United States Mails; \$831,566 05 upon ordinary and \$138,312 73 on Express Freights; \$767,070 72 upon United States Troops; and upon Miscellaneous Receipts Troops; 8

The whole number of Passengers carried over the road during the year was 2,861,836, and the average distance traveled by each Passeager, 71 5-10th miles. The number of tons of Freight moved (including

The number of tons of Freight moved (including 243,104 tons of Fuel, and other materials transported for the Company) was 2,798,810, embracing 1,674,757 tons of Coal. The decrease in the Coal traffic is 12,022 tons, and the whole tonnage of the road exceeds that of last year 33,934 tons.

The ordinary expenditures for working and maintaining the Company's roads were \$10.881,-930 04, which is equal to 62 32-100ths per cent of their revenues or including the expenditures for

their revenues, or, including the expenditures for construction done on its own line, and the outfly of the Philadelphia and Erie and other Railroads, 76 6-100ths per cent.
The earnings of the Company's Canals were: From Susquebanna Division, - - 8140,912 3 From Juniata Division, From Western Division, (now aban-22,186 42 From Miscellaneous Sources, -

Total Earnings, - -- 8181,015 38 Against \$308,615 23 in 1864. The cost of maintaining, enlarging and operating the Capals was: For Susquehanna Division, -\$183,779 36 For Western Division, -8,795 46 8979,843 51

17,811 59

Showing a loss during 1865 of \$98,828 13. This loss is wholly due to an extraordinary freshet that occurred in March last, upon all of the tributaries of the North and West Branches of the Susquehanna, causing a rise in the main river at Harrisbanna, causing a rise in the main river at partia-burg, three feet above any previous flood upon re-cord, destroying navigation upon the only profit-able portion of the Company's Canal until July. This Company has owned the Pennsylvania Canals since August, 1857, during which time they have yielded revenues amounting to \$1.882,882 73, and have cost for reasire and renewals \$1.882,885 73.

and have cost for repairs and renewals \$1,886,208 73 and have cost for repairs and renewals \$1,895,205 73, showing a small loss in operating them up to the st ultimo. Included in these expenditures, however, is the cost of enlarging the Susquehanna Division, and rebuilding the structures upon the whole line, nearly all of which had been suffered to fall into decay by the original owner of these works. It is proposed to continue the enlargement of the Canal as far west as Huntingdon, to meet the cemands of the coal traffic from the Broad Top. the semands of the coal traffic from the Broad Top and Allegheny coal fields, as fast as it can be done without trespassing upon the net revenues of the Railroad. This object could be effected at an earlier date by the organization of a separate Company for these works, and raising by a mortgage upon them the amount necessary for this enlargement The Canal when so enlarged will be of in-creased importance in the development of the mineral resources of the interior, affording, as it will, the capacity for the passage of boats of double the present tonnage, with a comparatively slight increase in the cost of moving it to the transporter. As the bituminous coal fields of Pennsylvania are about twice the distance from tide water at Philadelphia that the anthracite coal fields of Schuylidil county are, this Company has felt the importance of thus affording a cheaper water transportation of the former article to this market.

The earnings of the Philadelphia and Eric Rail-road in 1865 were: From Passengers, - -8829,500 1 Troops, -Freights, Express matter,

94,451 46 26,897 20 19.085 61 Miscellaneous sources, \$2,074,140 62 Total earnings,

The operating expenses during the same period For Conducting Trans-For Motive Power,
... Maintenance of Way,
... Maintenance of Cara, 81,746,659 38

For 30 per cent, due on lease to meet interest on bonds, taxes, &c., 598,708 00 82,344,760 29 Showing a loss in operating the line, (including 30 per cent. of receipts to pay interest on the debt of the Phila-delphia and Eric Railroad Company,) 8270,619 49 and taxes, of - -

This loss is largely due to the March Ireshet in This loss is largely due to the March Ireshet in the Susquehanns, aiready referred to as so destructive to the Canais, but still more disastrously felt throughout the line of the Philadelphia and Erie Railroad. Five spans of superstructure of the Bridge at Williamsport, and one at Manoy, over the West Branch of this stream, were swept away by the force of the County and Toil Bridges driven against them by a rapid current. The whole line of Road from Sunbury to Erie presented innumerable evidences of the destructive effects of this flood—piers of bridges were undermined and destroyed—culverts swept out—banks broken, and the slopes of excavations and embankments badly washed.

The effects of this extraordinary flood in the

The effects of this extraordinary food in the streems followed or crossed by the Road, have shown that the changes made in its profile during the construction of its unfinished portions were judicious and that the location of the line is now such as to render it safe from serious disaster hereafter from a smillar rice of waters. Most of the injury sustained was from insecure founda-tions to piers of bridges, insufficient drainage, too narrow banks, and the incomplete condition of the work generally, except to the superstructure of bridges, all of which would have passed uninjured

but for the force with which other bridges were driven against them.

From a very natural desire to see this work in operation—which had been so many years in pro-gress—the Directors of the Philadelphia and Eric Railroad Company opened the middle division of Railroad Company opened the middle division of their line long before it was in a condition for effective service, and at the beginning of a winter of unusual severity; hence its business, small and unorganized, had to be conducted through a wilderness, unprovided with accommodations for labor, and with an undisciplined force at a very heavy increased cost to this Company. These difficulties, added to the increased cost of maintaining a line unfinished in all of its details, and the disserver flood which followed the breaking up of astrous flood which followed the breaking up of winter, has resulted in the loss above stated, nearly all of which is properly chargeable to construction

whole revenue of the Pennsylvania Railroad Company, from its several lines, is as follows, viz: From the Pennsylvania Railroad and branches, - 817,459,169 49 From the Pennsylvania Canals, - 181,015 38

Philadelphia and Erie Rail-2,074,140 79 \$19,714,325 66 And expenses of operating these Pennsylvania Railroad, ordinary, S10,881,930 04
Pennsylvania Railroad,
extraordinary, 2,388,128 50
Pennsylvania Canal, 273,843 51 Philadelphia and Erie Railroad, Thirty per cent reserved 1,746,061 28

to pay interest on debt of P. & E. R. R. Co., -\$15,891,671 33 Balance,
The payments made during the year
to the shareholders, of two semiannual dividends of 5 per cent,
each, the balance of interest and

\*This includes \$62,148 49 expended on cars in use on the Philadelphia and Eric hailroad. fin addition to this amount \$62,148 49 was expended by the Pennsylvania Railroad Campany for repairs to the cars in use on the Philadelphia and Eric Railroad, coupon accounts, the lease of Har-risburg and Lancaster Railroad,

taxes on dividends and coupons. (\$515,433 01.) and the annual sum one to the State (\$460,000) for the purchase of the Main Line, amount-ed to

3,597,496 98 \$222,157 35 Leaving a surplus of - -

This result is exhibited after charging all expen ditures for new work, and additional rolling stock, &c., amounting in the aggregate to \$2,388,-128 50, together with an instalment of \$100,000 upon the principal of the debt due the State, and losses on leased railroads to expense account; which added to similar charges made during the With a view to prevent an undue enlargement of the capital of the company, so difficult to restrain in corporate enterprises, all interest paid during the construction of the Company's Railroads, together with all discounts allowed upon bonds sold, and all doubtful investments have from time to time been charged to and paid out of the annual net revenues of the road. There is nothing therefore in the accounts of the company representing fictitious values; on the contrary, its property is worth in specie much more than it is represented at upon its books. The Main Line and branches of your Road were constructed under small contracts for cash, when labor was low and at rates fully one-half less than those now prevalent. In consequence of the conservative policy men-tioned, the shareholders have from the day of payment of each instalment received six per cent. in-terest free of taxes upon their investment from the net revenues of the Road until May, 1862,\* since which time the regular and extra dividends have averaged over eighteen per cent. per annum.

If the increase of Rolling Stock, &c., paid for from the net revenues of the road, as already stated, were added to the surplus profits as shown by the Treasurer's statement, it would exceed the original cost of the Company's Road and outfit be-tween Harrisburgh and Pittsburgh, when finished

with a single track and sidings.

The present condition of the Company's property, therefore, cannot but be viewed with great satisfaction by its shareholders. Estimated at its specie value it may be safely stated as follows: Main Line of Railway, Branches and

Extensions, including Shops and Depots, Harrisburg and Lancaster Railroad, and Canal, Equipment of all the Company's Railways, \$31,000,000 8,000,000 Materials on hand, cash and cash ba-3,500,000 Investments in other Lines, \$55,000,000 LIABILITIES. \$20,000,000

Capital Stock, -Stock, Harrisburg and Lancaster Railroad Company, - - - Funded Debt, - - Bonds of Harrisburg and Lancaster Rait-1,182,500 16,585,000 000), and other ooligu-2,232,500 tions, say in all. 40,000,000

Surplus, - -\$15,000,000 Which added to the Capital Stock would make its real value \$35,000,000, instead of \$30,000,000. If this estimate was predicated upon the cost of creating this property at present values, it would present a much larger balance.

For the past two years the actual net revenues of the Company have been equal to legal interest upon one hundred millions of dollars; but in con-sequence of the abnormal condition of the traffic from which they were derived it has not been deemed prudent to fully represent them by an increase of capital stock. They have mainly been increase of capital stock. They have mainly been appropriated to the increase of the Company's property, and the amount thus disbursed charged to current expenses. In justification of this policy it will be borne in mind that the increase in the traffic of the line for the past four years is not due to a natural development of its business, but is mainly to be accounted for by the acts of the southern States, which, at the commencement of hostilities, immediately closed the markets of the southwest, heretofore enjyed by the producers of the northwestern States, under the vain expectation that they would thus seduce the patriotic feelings of that section from its allegiance to the Union. This object signally falled, while the unusual demand for western products in Europe, that immediately followed, products in Europe, that immediately followed, stimulated by high prices (enhanced by the continually increasing volume of the currency), threw this business upon the East and West trank lines, which, at an early period, were reduced to three, by interruptions to the Baltimore and Ohio rail-

\* One dividend was powed during the financial crisis of 1857 to compare a n for which three semi-annual lyidends of four per cont. had been paid.

This increase of traffic was quickly met by enlarging your eg dipment notwithstanding the high prices demanded for Rolling Stock, and a continued apprehen fon that an early termination of the rebellion might render the construction of many miles of sidings necessary for its accommodation while out of service. If the rebellion had censed, as every indication seemed to warrant, in season for a full cotton crop during the past year, this would now, to a considerable extent, be the condition of things. But the Southern Planter having been required by the rebel Government to continue to devote his labor to raising provisions until too late to put in cultivation a crop for the past year, he has not yet become to a material extent a customer of the Northwest. The exhaustion produced by the long continuance of the war, added to the loss of the crop, has thus deterred the full transfer of traffic to its original channels, to a more distant period. Still, this diversion of freights, as small as it has been, is now felt in the reduced quantity and rates charged for transportation. At present neither of the trunk lines have their rolling stock for through traffic fully employed. their rolling stock for through traffic fully em-ployed.

The capacity of the East and West Trunk lines,

at present, is not only ample for the through traffic offering, but, with the addition of the new Road already opened from Frie, and the second tracks to the present lines now in progress, they will be found largely in excess of the business requirements of the country. Their construction during

ments of the country. Their construction during a period of low prices will prevent any competitor that may hereafter enter the field from meeting the contest upon equal terms.

Whatever may be the immediate effects of competition be ween railways, its nitimate results, when capital is brought into the contest in excess of the demand for its results to the contest in excess. when capital is brought into the contest in excess
of the demand for its use, is to tax commodities
with the increased interest which such capital in
the end slways exacts. Under the influence of a
speculative feeling in England some years since,
railways were built so largely in excess of the legitimate demand for their use, that with all the
advantages of cheap labor and materials for opecapital them, the rates now charged are generally rating them, the rates now charged are generally nearly twice those prevalent on similar lines in this country, while they still continue, in most cases, comparatively unremunerative to their

shareholders. shareholders.

As the cost of transportation is largely diminished by the quantity and regularity of the supply of freight, it follows that the local traffic of the State can be more cheaply accommodated by branch lines to the existing trunks (which occupy the only natural routes of intercommunication be-tween the East and West within the State, and in the success of which the Common wealth and the City of Philadelphia are deeply and directly in-terested) than in any other way. These branches can be located so as to accommodate a larger ex-tent of country than additional through routes would afford.

would afford.

At an early stage in the history of this Company its Directors, under the influence of an enlightened policy, by subscriptions to their stock, extended efficient aid to the construction of railways from its terminus to the sources of traffic in the West. The investment made in the Marietta and Cincinnati Line, from a misappropriation by that Company of the means thus furnished, proved unproductive, and it has long since been charged to profit and loss upon our books. The credit of the line between Pittsburg and Chicago, in which this Company heid \$816,000 of stock, also gave way in 1857, with eighty-two miles of its line west of Plymouth scarcely begun, bringing this large investmouth scarcely begun, bringing this large invest-ment into great jeopardy. Your Directors, how-ever, promptly agreed that this Company would furnish the iron required for the completion of the road, while the President, with the use of his indi-vidual credit and exercions, brought the whole line into early use, thereby not only saving the original investment, and largely increasing the traffic of this Company, but enabling it subsequently to dispose of its interest in the line at a profit. The result of this operation has been applied to the completion of the line between Pittsburgh and Stengershill company of the line between the contract of the line between the line has been applied to the completion of the line between Pittsburgh and Stengershill company of the line between the line has been applied to the completion of the line between Pittsburgh and Stengershill company of the line between the line has been applied to the completion of the line between Pittsburgh and Stengershill company. burgh and Steubenville, commenced under the patronage of the City of Pitteburgh and Allegheny County, but abandoned after a much heavier expenditure of municipal bonds than of cash. The cost of completing this work, in consequence of the late period of the war at which it was commenced has a really a vesseled our subjections. menced, has greatly exceeded our anticipations; but the outlay, it is believed, will eventually prove remunerative in its direct profits, as well as upon the traffic of our line, which has already feit its influence beneficially upon the current of travel since it was opened for use in October last.

since it was opened for use in October last. In addition to the assistance afforded to these lines, and the completion of a second track of its own road, (except 11½ miles.) this Company has furnished the means for the extension of the Broad Top Railroad to Bloody Run; for the completion of the Bald Eagle Valley Railroad, between Tyrone and Lockhaven; the Tyrone and Clearfield Railroad, the Ebensburg and Cresson Railroad; the Western Pennsylvania Railroad, to Freeport, and the Philadelphia and Eric Railroad, besides other lines of less extent, all of which have been brought into successful operation. brought into successful operation.

The Company is also extending its road to the Delaware river at Greenwich Point, in the city of Philadelphia, for the accommodation of the cit and other heavy traffic, from which line a short branch can connect with League Island, an object of much importance in the event of the General Government location a Naw Yord at that point. locating a Navy Yard at that point. It is also fur-nishing the means for the construction of a road to join the Philadelphia and Trenton Railway at Frankford, by which it is expected to return to the Philadelphia Division much of the business that has avoided this city, in consequence of interrup-tions to its transit through it. No new project has been undertaken during the year, except the con-version of the abandoned Canal below Freeport, resion of the abandoned Canal Selow Freport, into a railway, to connect with the Fort Wayne Railway, in Ailegheny City. This line will be chesply built, and it is believed that it will prove remunerative from its local busness alone.

It is to this liberal and progressive policy that

the prosperity of this Company is in a large measure que. The construction of these various works, and the large equipment purchased for them, have, in consequence of the high prices of them, have, in consequence of the high prices of labor and materials, required a much larger outlay than anticipated when they were undertaken. The unexpectedly large traffic during the past summer at d autumn alone caused an immediate increase of equipment, &c., above our estimate, of over \$1,200,000, and from present indications this will have to be increased this year for the accommodation of the Coal, Oil, and Lumber interests, a further sum of one and a suprier millions of dollars. ther sum of one and a quarter millions of dollars.
The equipment for the through business seems to
be sufficient.
The business of the Philadelphia and Eric Rail-

road is now nearly twice what it was estimated at when you were asked to authorize its lease, fully justifying the belief that its stock, at no distant period, will prove a remunerative investment.

The expenditures upon these several enterprises, including the equipment of the Philadelphia and Eric Railroad, and other lines, have heretofore been met (without any material enlargement of the obligations of this Company) from the revenues of the Pennsylvania Railroad, and from the sale of securities are also from the sale of securities. curives received from those Companies; but the po-pularity and large supply of United States bonds, bearing a high rate of interest, continually pressed upon the market during the past year, has pre-cluded the sale of even the best railway securities at ordinary rates. To meet future outlays, it may therefore be necessary to change, to some extent, the usual means for raising funds to meet the obli-

the usual means for raising funds to meet the obligations of the Company.

The expenditures for new work (including equipment, &c., charged to expense account), amounted in 1865 to \$6,010,287 12, which have been met from the surplus revenues of the road and the sale of securities held by the Company. The outlays for similar objects this year will not be less than \$3,000,000.

han \$3,000,000.

After many years of unsuccessful efforts to induce the New York trunk lines to abandon their policy of committing a share of their freight business to private Freight Expresses, the Pennsylvania Railroad Company, for the purpose of counteracting the diversion of traffic from its route, caused by these organizations, and to provide at least soul facilities for the merchants of Philaleast equal facilities for the merchants of Phila-delphia, assented to the introduction of similar lines upon your rail ways. The cars to be provided at their own expense, and of a compromise gauge, that they might reach all important points in the West or Northwest without transhipment. These fast freight lines were to maintain agents in all the Western cities, who would personally superintend the prompt and proper delivery of freights, and see to the settlement of claims for damages or delays. The result has been to secure a class of business, without interfering with the ordinary tonnage of the Company, that has not

heretofore been reached. In consequence of partisan representations, originally made during an important litigation, and then shown to be false, having since been wantonly and industriously persisted in, from interested motives we feel it be due to you to reiterate, in as few words as possible, the policy which has ever governed the Directors in relation to the traffic over your line to and from Philadelphia and the West. Neither the inclinations of your Directors or Officers, or the interests of the Company, has permitted them to entertain for a single moment the policy of discriminating against the commercial or manufacturing prosperity of this city. On the contrary, the Company has always kept the prosperity of these interests sleadily in view, as conducing to its own; and in this connection, has sacrificed many hundred thousand dollars in their support and defence. In In consequence of partisan representations, orithousand dollars in their support and defence. In the memorable content between the East and West trunk lines, in 1859, the New York Hailroad Conpanies attempted, by a reduction of their rates from and to New York, to those charged by the Pena-

ABOUT AND A PROBABILITY AND THE AREA

sylvania Halirond Company from and to Putladelphia, to break up our discrimination in favor of this city. But these reductions were met by similar reductions on the part of this Company at Philadelphia, and the competition was thus continued on both sides by far her reductions, natifituded on the sides of the surrender the point contended for. Our Western convections participated in this contest, and in the final adjustment of rases that followed, the policy of a minimum discrimination in favor of Philadelphia was secured, as large as practicable, which differences have not, with the consent of this Company, been departed from, but from many points and at different periods have been very largely increased.

It is quite true that the Pennsyl vania Railroad Company may have carried freights upon the same day out of New York for less rates than from Philadelphia are much less than the entablished differences would indicate. This is due to the virious practice or want o stystem existing among Railway Companyies for regulating raises, on through

practice or want o stystem existing among Rati-way Companies for regulating rates, on through traffic under which they may be suddenly reduced or raised at one point before the act is communi-cated to the other. The rates of the Pennsylvania Railroad are always kept under the control of its officers, and whenever reductions are made by the New York lines they are promptly met at Phitadelphia by the invariable policy of the Pennsylvania Railroad Company. This policy will of course require any competing line, old or new, to conform to it, but contracts to secure an object that both parties may be interested in violating can need no value, however carefully drawn up. The only security is in the dispositions of the controlling parties to meet the object desired.

It is confidently affirmed that no case of seeming discrimination against Philadelphia has occurred, which, on examination, will not find its full ex-Railroad are niways kept under the control of its

discrimination against Philadelphia has occurred, which, on examination, will not find its full explanation in the reductions of a rival line, or a comparison of rates of different dates.

The commercial and manufacturing interests of Philadelphia have been largely promoted by the operations of the Pennsylvania Railroad Company in the establishment by it of rates of freight already far below those anticipated when the work was underlinken. But this is not the only thing reundertaken. But this is not the only thing re-quired to centre commerce in this city, as seems to be the general belief. The rates of freight have really but little to do with this question, provided they are fixed so as to meet fully the efforts of competing avenues to divert traffic from her route. The large receipts of the Company are the best evidence that such a diversion has not taken place. Mercantile enterprise must seize hold of the products of the West, so abundantly flowing over this avenue, and by its activity, aided by capital, purchase or secure by actual consignment, and ship them to other markets. There is no other way to be the product of the them to other markets. There is no other way to add to the commerce of Philadelphia, and any movement to that end will meet the hearty co-

operation of this Company.

If the advantages of locality possessed by this city are permitted to pass by unimproved by her merchants, they must not complain that those of the West seek other markets to sell and buy in. The Pennsylvania Railroad Company has offered every facility to bring to the city the products of The Pennsylvania Railroad Company has ofered every facility to bring to the city the products of the Great West, as well as for their storage while here, and will feel deeply interested in any corresponding effort apon the part of our merchants and capitalists to avail themselves of the advantages thus provided.

Although this Company was organized only for the payone of carrying freight and passengers to

Although this Company was organized only for the purpose of carrying freight and passengers to and from the interior and the West, yet it has re-peatedly signified its disposition to aid in the es-tablishment of a Steamship line between this port and Europe, that the necessity for sending west ru products to New York for shipment abroad might at least be diminished. This aid has been offered by subscription to the shares of a Company to be raised for that object, or sy paying aix per centum upon the amount of capital so invested, together with other valuable and important business facilitree, and they still hope that the mercantile com-munity will co-operate in such manner as to render this aid efficient. In the success and profitableness of such an enterprise, commenced and man-aged upon a proper basis, your Directors have no doubt, and with the consent of the shareholders, this Company will, unaided, establish such a line

of steamers.
Since your last Annual Meeting, the General Superintendent of your Main Lane of works (Enoch Lewis, Esq.) has resigned his office, a post which he had acceptably and efficiently filled for nearly six years. His successor, Edward H. Williams, Esq., has acted for nearly a year past as Assistant General Superintendent, and in that capacity has evinced qualities that it is believed will give to his administration a success equal to that of his predecessors.

of his administration a success equal to that of his predecessors.

The General Superintendent of the Philadelphia and Eric Railroad Company, Joseph D. Potts, Eq., has also left the service of the Company for more profitable employment elsewhere. His place has been filled by the appointment of Aifred L. Tyler, Esq., whose previous success in the management of Railroads commended him to the notice of your Directors.

The acknowledgments of the Board are due to the partitions of the Officers of the Company

the untiring efforts of the Officers of the Company generally, for the efficient manner that the busi-ness of the line, during the past year, has been conducted, notwithstanding the disorganization that existed in the labor of the country during the first half of the year. By order of the Board.

J. EDGAR THOMSON, President.

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